

Message Text

UNCLASSIFIED

PAGE 01 TOKYO 11556 071129Z

51

ACTION EA-14

INFO OCT-01 EUR-25 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-15 STR-08

CEA-02 L-03 H-03 PA-03 PRS-01 USIA-15 DRC-01 /174 W

----- 031688

R 071105Z SEP 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 6595

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY THE HAUGUE

AMCONSUL HONG KONG

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

USEC MISSION BRUSSELS

USOECD MISSION PARIS

UNCLAS TOKYO 11556

PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EFIN, JA

SUBJ: TOKYO FOREX MARKET DEVELOPMENTS - SEP 3 THRU 7

1. DOLLAR IN SPOT MARKET STRENGTHENED SLIGHTLY DURING MID-WEEK BUT RETURNED TOMONDAY'S LEAVEL AT END OF WEEK, WITH REPRESENTATIVE RATE ON FRI AT YEN 265.40 (SAME AS THAT ON MON).

TRANSACTIONS DURING THE FIVE DAY PERIOD WERE IN THE RANGE OF YEN 265.20 TO YEN 265.50 PER DOLLAR. VOLUME IN THE SPOT

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TOKYO 11556 071129Z

MARKET WAS SOMEWHAT HEAVIER THAN THE PREVIOUS WEEK, WITH

DAILY HIGH REACHED ON WED OF \$100.5 MIL. TOTAL WEEKLY VOLUME WAS APPROX \$368 MIL. BOJ OFFICIAL DESCRIBED SPOT MARKET AS CALM THIS WEEK WITH ONLY SLIGHT CONCERN SHOWN DURING MID-WEEK AS POUND WEAKENED IN EUROPE. TOTAL CENTRAL BANK INTERVENTION (DOLLAR SALES) OF LESS THAN \$200 MIL WAS REPORTED.

2. FORWARD DOLLAR RATES WEAKENED SOMEWHAT DURING THE FIVE DAY PERIOD. THREE MONTH FORWARD (DEC DELIVERY) CLOSED ON SEP 7 AT YEN 261.00 DOWN YEN 1.0 FROM MONDAY'S CLOSE. SIX MONTH FORWARD (MAR DELIVERY) CLOSED WEEK AT YEN 256.70, DOWN YEN .85 FROM MONDAY. ON SEP 3 BOJ IMPELEMENTED NEW SYSTEM (SIMILAR TO THAT OF U.S.) OF DETERMINING FORWARD CONTRACT MATURITY DATES. FORWARD CONTRACTS WILL NOW BECOME DUE ONE DAY FOLLOWING DATE OF CONTRACT PURCHASE IN SPECIFIED DELIVERY MONTH. PRIOR TO THIS TIME BOJ SYSTEM ALLOWED FOR DELIVERY ON ANY DAY DURING CONTRACT MONTH. END OF WEEK CLOSE FOR THREE MONTH FORWARD REPRESENTED DISCOUNT OF 6.63 PERCENT WHILE THAT FOR SIX MONTH FORWARD REPRESENTED DISCOUNT OF 6.56 PERCENT. THESE LEVELS SIMILAR TO THAT OF PREVIOUS WEEK, AND COMPARED WITH DISCOUNTS ONE MONTH EARLIER OF BETWEEN 10 AND 12 PERCENT FOR THREE AND SIX MONTH FORWARD RATES. TOTAL VOLUME IN THE FORWARD MARKET WAS \$344 MIL, DOWN SOMEWHAT FROM PREVIOUS WEEK. TOTAL VOLUME IN THE SWAP MARKET REGISTERED \$183 MIL.
SHOESMITH

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DOLLAR, FOREIGN EXCHANGE RATES, YEN (CURRENCY)
Control Number: n/a
Copy: SINGLE
Draft Date: 07 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973TOKYO11556
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730947/aaaabiqo.tel
Line Count: 87
Locator: TEXT ON-LINE
Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 06 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06-Aug-2001 by reddocgw>; APPROVED <22-Aug-2001 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TOKYO FOREX MARKET DEVELOPMENTS - SEP 3 THRU 7
TAGS: EFIN, JA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005